SACRAMENTO COUNTY ECONOMIC FORECAST

The Sacramento County economy is creating jobs at a rapid rate. In 2017 it gained 13,400 jobs, representing an increase of 2.1 percent, and placing it near the average for all counties in California. The unemployment rate is now very low in Sacramento County, reaching 4.6 percent in 2017. This indicates that the county has reached a "full employment" scenario, meaning that almost everyone who wants a job already has a job. Under these conditions, job growth typically slows, and further improvements in the unemployment rate become minimal.

Two of the leading sectors in 2017 were leisure services and healthcare. The leisure sector generated 2,200 new jobs, primarily in restaurants, while the healthcare industry created 5,000 jobs.

Another leading sector was construction, which generated 2,200 new jobs. Construction activity is increasing sharply, with more than 4,900 new homes breaking ground last year. Virtually all of these homes were single-family units. Because Sacramento County has large amounts of buildable land, housing production has tended to spread out into single-family communities, rather than be forced up into multifamily skyscrapers.
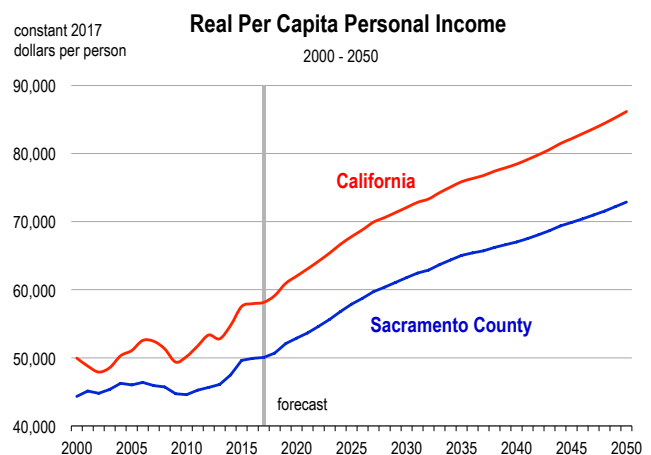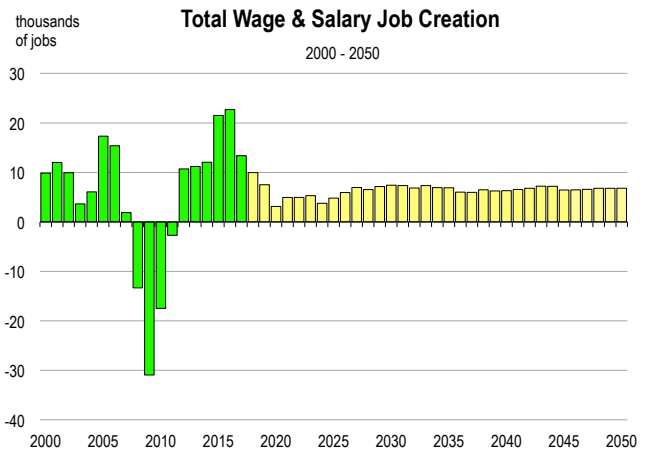
Construction of non-residential structures has also been healthy. In 2017, almost $200 million was invested into new retail and logistics facilities, $39 million was invested into new hotels, and $28 million was put into new medical facilities.

The potential for future housing production is high in Sacramento County, as the county's development pipeline has 100,000 units that could be constructed in the next 30 to 40 years. Many of these units could be located in Rancho Cordova, which has 45,000 units in its pipeline, and the area near Mather Air Force Base, which has 29,000 units.

The Sacramento County population is growing faster than the statewide average. Net migration has been a major contributor to this growth, with new residents moving to the county for its affordable homes and strong job market. Along Coastal California, households often spend more than 35 percent of their income on mortgage payments and rent, but in Sacramento County this figure is typically less than 25 percent.

FORECAST HIGHLIGHTS

- Total employment is expected to increase by 1.5 percent in 2018. From 2018 to 2023, the growth rate is projected to average 0.8 percent per year.

Total Wage & Salary Job Creation
2000 - 2050
thousands of jobs

Real Per Capita Personal Income
2000 - 2050
constant 2017 dollars per person

California
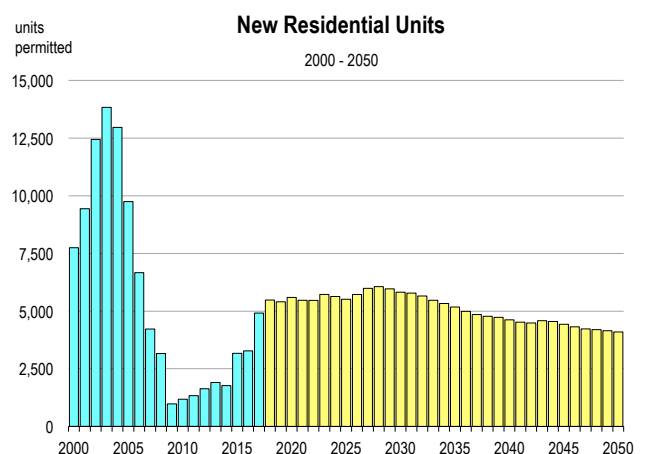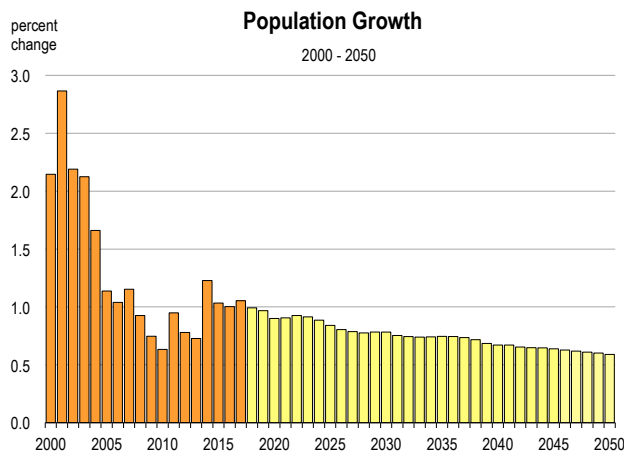
Sacramento County

forecast

- Over the 2018-2023 period, employment growth will be greatest in professional and business services, leisure and hospitality, and education and healthcare. Together, these sectors will account for 81 percent of net job creation in the county.

- Average salaries are currently above the California state average, and will remain so throughout the forecast period. In Sacramento County, inflation-adjusted salaries are expected to rise by an average of 2.1 percent per year between 2018 and 2023.

- Housing production in Sacramento County is expected to be strong, with an average of 5,500 units breaking ground each year between 2018 and 2023.

- Over the 2018-2023 period, population growth is expected to average 0.9 percent per year. Approximately 6,100 net migrants will enter the county each year, accounting for 43 percent of all population growth.

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Sacramento County Economic Forecast
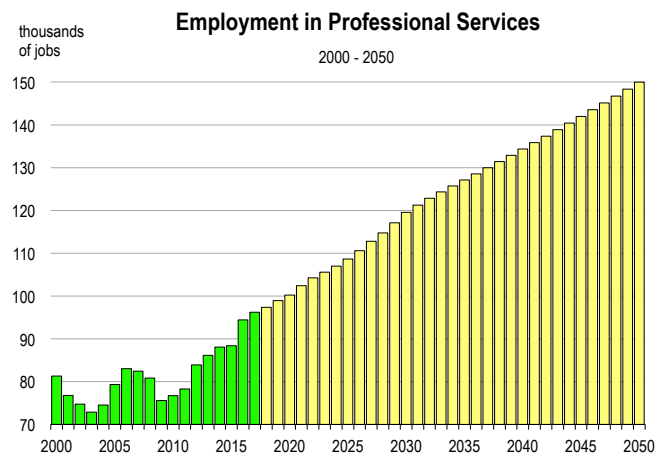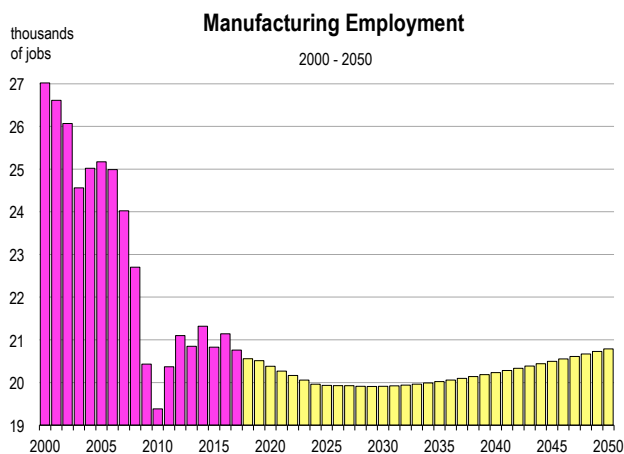## 2010-2017 History, 2018-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemployment Rate (percent)
2010	1,420,331	-1,719	1.16	514.4	1,181	$16.9	$54.7	$44,588	1.3	431.3	6.0	12.6
2011	1,433,805	3,510	1.14	515.2	1,332	$18.0	$57.5	$45,259	2.7	457.3	6.0	12.1
2012	1,444,986	2,164	1.14	517.6	1,633	$19.1	$59.8	$45,666	2.7	508.5	6.4	10.5
2013	1,455,502	1,601	1.18	521.4	1,909	$20.1	$61.7	$46,088	2.3	497.6	6.6	8.9
2014	1,473,374	8,901	1.21	523.6	1,772	$21.1	$65.5	$47,484	2.8	536.6	6.9	7.3
2015	1,488,600	6,569	1.27	525.4	3,173	$22.0	$70.1	$49,612	2.6	495.0	6.9	6.0
2016	1,503,536	6,425	1.31	527.4	3,277	$23.2	$72.9	$49,907	3.1	522.1	7.1	5.4
2017	1,519,381	7,316	1.30	533.9	4,915	$24.4	$76.0	$50,052	3.2	537.5	7.2	4.6
2018	1,534,458	6,872	1.33	535.7	5,480	$25.5	$80.0	$50,678	3.7	549.8	7.4	4.4
2019	1,549,308	6,629	1.34	540.8	5,404	$26.4	$85.0	$52,101	3.1	559.6	7.4	4.2
2020	1,563,260	5,740	1.35	545.8	5,593	$27.6	$90.0	$52,877	4.1	567.5	7.4	4.3
2021	1,577,420	5,901	1.35	551.0	5,470	$28.7	$94.8	$53,656	3.6	573.9	7.6	4.4
2022	1,592,026	6,259	1.36	556.1	5,465	$29.8	$100.0	$54,609	3.5	579.0	7.8	4.5
2023	1,606,581	6,111	1.37	561.2	5,723	$30.9	$105.5	$55,644	3.4	583.1	7.9	4.6
2024	1,620,813	5,726	1.38	566.5	5,633	$32.1	$111.4	$56,806	3.3	586.4	8.1	4.9
2025	1,634,440	5,149	1.38	571.7	5,514	$33.5	$117.1	$57,880	3.1	589.1	8.3	5.0
2026	1,647,588	4,746	1.39	576.9	5,721	$34.7	$122.6	$58,751	3.1	591.3	8.5	5.1
2027	1,660,556	4,719	1.40	582.2	5,987	$36.1	$128.3	$59,717	3.0	593.1	8.6	5.2
2028	1,673,437	4,774	1.41	587.7	6,061	$37.5	$134.0	$60,391	3.3	594.6	8.8	5.2
2029	1,686,546	5,096	1.42	593.4	5,965	$38.9	$139.8	$61,086	3.1	595.9	9.0	5.1
2030	1,699,752	5,307	1.43	598.9	5,820	$40.3	$145.6	$61,767	3.0	597.0	9.2	5.1
2031	1,712,561	5,004	1.45	604.3	5,780	$42.0	$151.4	$62,448	2.9	597.9	9.4	5.1
2032	1,725,305	5,002	1.46	609.7	5,656	$43.8	$157.1	$62,865	3.1	598.7	9.6	5.1
2033	1,738,065	5,043	1.48	615.0	5,469	$45.5	$163.3	$63,686	2.7	599.4	9.8	5.1
2034	1,750,954	5,155	1.49	620.1	5,330	$47.3	$169.9	$64,388	2.9	600.0	10.0	5.1
2035	1,764,015	5,306	1.50	625.0	5,178	$49.1	$176.7	$65,057	3.0	600.5	10.2	5.0
2036	1,777,149	5,364	1.51	629.8	4,988	$50.9	$183.6	$65,409	3.4	601.0	10.4	5.0
2037	1,790,219	5,308	1.53	634.5	4,851	$52.8	$190.9	$65,720	3.5	601.5	10.6	5.0
2038	1,803,058	5,113	1.54	639.0	4,776	$54.7	$198.6	$66,219	3.3	601.9	10.9	5.0
2039	1,815,406	4,686	1.55	643.4	4,729	$56.7	$206.5	$66,603	3.5	602.3	11.1	5.0
2040	1,827,587	4,577	1.56	647.8	4,622	$58.6	$214.6	$67,012	3.4	602.7	11.4	5.0
2041	1,839,850	4,684	1.58	652.1	4,521	$60.5	$222.9	$67,512	3.2	603.0	11.6	5.0
2042	1,851,880	4,482	1.59	656.3	4,486	$62.3	$231.4	$68,065	3.1	603.4	11.9	5.0
2043	1,863,882	4,484	1.60	660.5	4,584	$64.2	$240.1	$68,674	3.0	603.7	12.1	5.0
2044	1,875,936	4,575	1.61	664.8	4,551	$66.0	$249.0	$69,373	2.8	604.1	12.4	5.0
2045	1,887,914	4,553	1.62	669.0	4,429	$67.8	$258.0	$69,878	3.0	604.4	12.7	5.0
2046	1,899,771	4,495	1.63	673.1	4,319	$69.6	$267.1	$70,417	2.9	604.7	13.0	5.0
2047	1,911,524	4,454	1.64	677.1	4,228	$71.4	$276.5	$70,961	2.9	605.0	13.3	5.0
2048	1,923,180	4,435	1.64	681.1	4,196	$73.4	$286.5	$71,556	2.9	605.4	13.6	5.0
2049	1,934,757	4,458	1.65	685.0	4,149	$75.4	$296.9	$72,199	2.9	605.7	13.9	4.9
2050	1,946,175	4,428	1.66	688.8	4,096	$77.4	$307.8	$72,889	2.9	606.0	14.2	4.9

Population Growth
percent change
2000 - 2050

New Residential Units
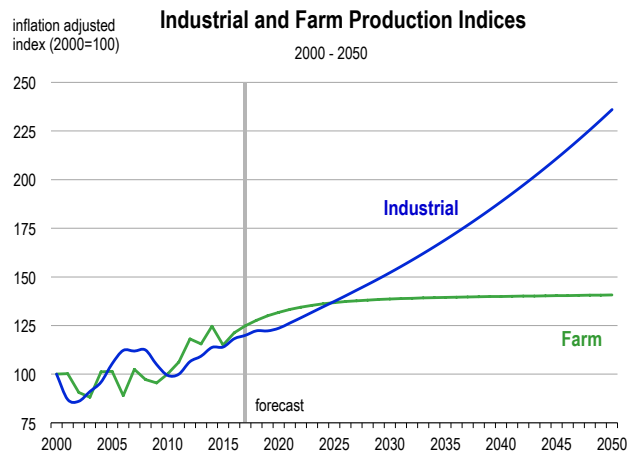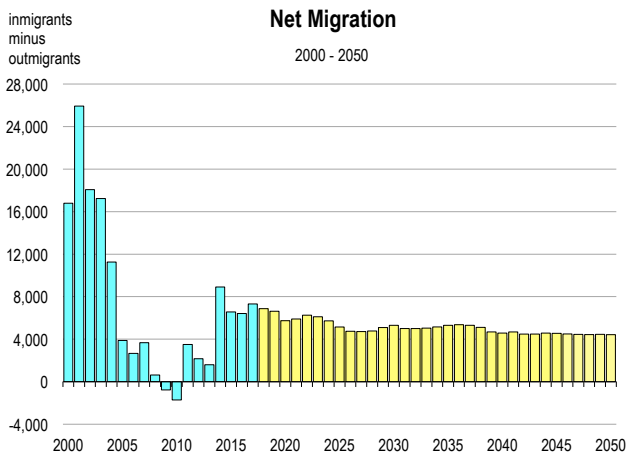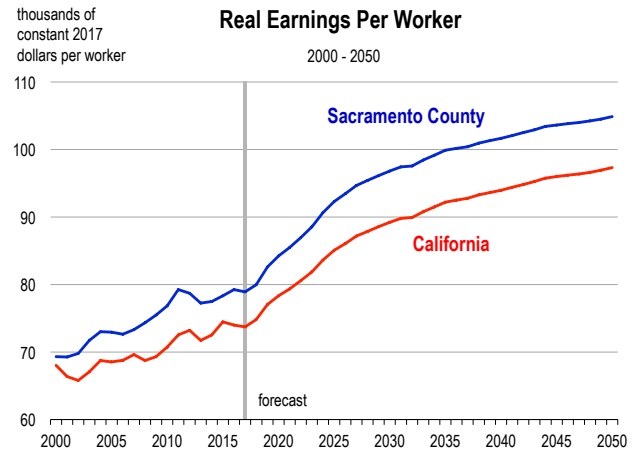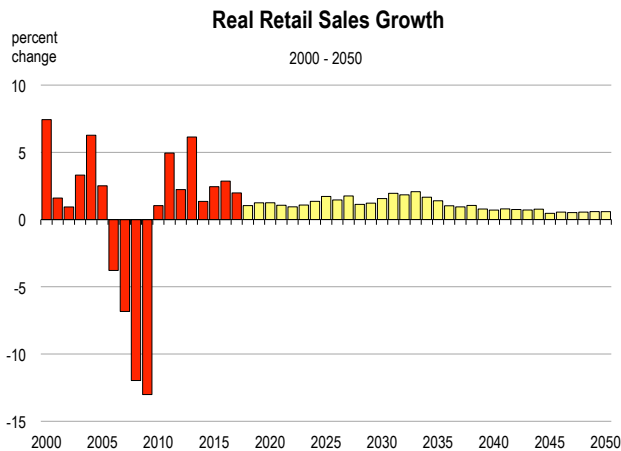units permitted
2000 - 2050

Sacramento County Employment Forecast
2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	--employment (thousands of jobs)--											
2010	568.6	2.57	23.5	19.4	11.9	69.7	32.1	76.7	13.2	86.4	48.5	164.3
2011	565.9	2.47	22.6	20.4	11.5	71.2	30.6	78.3	12.6	87.0	49.5	159.9
2012	576.6	2.61	23.6	21.1	12.2	74.2	31.3	83.9	11.8	88.4	51.3	156.4
2013	587.8	2.62	27.1	20.9	12.7	74.5	31.5	86.1	11.0	91.2	53.7	156.7
2014	599.8	2.61	28.5	21.3	13.0	74.5	31.2	88.1	10.2	93.3	56.0	160.7
2015	621.3	2.74	31.0	20.8	13.6	77.2	32.7	88.4	10.0	102.0	58.7	163.3
2016	644.0	2.24	32.9	21.1	14.4	79.8	33.2	94.4	9.7	109.5	60.8	164.7
2017	657.4	2.12	35.1	20.8	14.6	81.1	33.4	96.2	8.8	114.4	63.0	166.0
2018	667.4	2.07	36.6	20.6	14.7	81.7	33.8	97.4	8.4	117.1	64.3	168.8
2019	674.9	2.05	36.9	20.5	14.9	82.3	33.9	98.9	8.2	119.3	65.4	170.5
2020	678.0	2.06	37.2	20.4	15.0	82.5	34.1	100.2	8.0	120.7	65.6	170.0
2021	682.9	2.08	37.2	20.3	15.2	82.9	34.2	102.4	8.0	122.3	66.6	169.5
2022	687.9	2.10	37.5	20.2	15.3	83.1	34.4	104.3	8.1	123.9	67.6	169.1
2023	693.2	2.13	38.4	20.1	15.4	83.4	34.8	105.6	8.1	125.5	68.6	168.8
2024	696.9	2.15	37.8	20.0	15.5	83.8	34.8	107.0	8.2	127.1	69.2	168.8
2025	701.7	2.17	37.3	19.9	15.6	84.2	34.9	108.7	8.4	128.9	69.5	169.4
2026	707.7	2.19	37.2	19.9	15.6	84.5	35.2	110.6	8.6	130.8	70.0	170.2
2027	714.6	2.21	37.4	19.9	15.7	84.8	35.5	112.8	8.8	133.0	70.3	171.1
2028	721.2	2.22	37.5	19.9	15.7	85.2	35.6	114.8	9.0	135.7	70.7	171.6
2029	728.3	2.23	37.1	19.9	15.8	85.5	35.7	117.1	9.2	138.8	71.2	172.4
2030	735.7	2.24	36.7	19.9	15.8	85.9	35.7	119.6	9.4	141.9	71.8	173.4
2031	743.1	2.25	36.7	19.9	15.8	86.3	35.7	121.2	9.5	145.2	72.4	174.3
2032	749.9	2.26	36.5	19.9	15.9	86.7	35.8	122.9	9.7	148.6	73.0	174.9
2033	757.2	2.26	36.0	20.0	15.9	87.1	35.8	124.3	9.9	152.2	73.5	176.2
2034	764.2	2.27	35.8	20.0	15.9	87.4	35.8	125.7	10.1	155.6	74.1	177.2
2035	771.1	2.27	35.5	20.0	16.0	87.7	35.9	127.1	10.3	159.0	74.7	178.0
2036	777.1	2.28	35.1	20.1	16.0	88.0	36.0	128.5	10.5	162.4	75.4	178.4
2037	783.1	2.28	34.7	20.1	16.0	88.2	36.0	130.0	10.7	165.8	76.0	178.6
2038	789.5	2.28	34.4	20.1	16.1	88.5	36.2	131.4	10.9	169.3	76.6	179.0
2039	795.8	2.29	34.2	20.2	16.1	88.8	36.3	132.9	11.1	172.6	77.2	179.2
2040	802.1	2.29	34.0	20.2	16.1	89.0	36.3	134.4	11.2	175.9	77.8	179.5
2041	808.7	2.29	33.9	20.3	16.2	89.3	36.4	135.8	11.4	179.2	78.5	180.2
2042	815.4	2.29	33.8	20.3	16.2	89.5	36.5	137.4	11.6	182.4	79.1	180.9
2043	822.7	2.30	34.0	20.4	16.2	89.8	36.6	138.9	11.8	185.5	79.7	181.8
2044	829.9	2.30	34.1	20.4	16.3	90.1	36.8	140.4	12.0	188.4	80.4	183.0
2045	836.3	2.30	33.8	20.5	16.3	90.3	36.8	142.0	12.2	191.2	81.0	183.9
2046	842.8	2.30	33.6	20.6	16.3	90.5	36.9	143.5	12.4	193.9	81.7	184.9
2047	849.4	2.30	33.4	20.6	16.4	90.7	36.9	145.1	12.6	196.7	82.4	186.0
2048	856.2	2.31	33.4	20.7	16.4	90.9	37.0	146.7	12.8	199.4	83.0	187.1
2049	862.9	2.31	33.3	20.7	16.4	91.2	37.1	148.3	13.0	202.1	83.7	188.1
2050	869.8	2.31	33.2	20.8	16.5	91.4	37.2	150.0	13.2	204.8	84.4	189.2

thousands of jobs

Manufacturing Employment

2000 - 2050

thousands of jobs

Employment in Professional Services

2000 - 2050

135

Real Retail Sales Growth

percent change

2000 - 2050

Real Earnings Per Worker

thousands of constant 2017 dollars per worker

2000 - 2050

Sacramento County

California

forecast

Net Migration

inmigrants minus outmigrants

2000 - 2050

Industrial and Farm Production Indices

inflation adjusted index (2000=100)

2000 - 2050

Industrial

Farm

forecast

County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	5.7%
Expected job growth:	3.9%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	15.0%

Expected population growth:	4.7%
Net migration to account for:	42.5%
Expected growth in number of vehicles:	3.2%

Demographics (2018)

Unemployment rate (April 2018):	3.5%
County rank* in California (58 counties):	18th
Working age (16-64) population:	64.8%

Population with B.A. or higher:	29.3%
Median home selling price (2017):	$329,500
Median household income:	$63,949

Quality of Life

Violent crime rate (2016):	501 per 100,000 persons
County rank* in California (58 counties):	40th
Average commute time to work (2018):	29 minutes

High school drop out rate (2017):	10.0%
Households at/below poverty line (2018):	13.1%

* The county ranked 1st corresponds to the lowest rate in California